

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re

THE GLOBAL TEE COMPANY, LLC

d/b/a FITNESS TEE COMPANY, LLC

d/b/a THE FITNESS TEE COMPANY, LLC

d/b/a FIZQUE APPAREL

d/b/a FIZQUE

d/b/a GLOBAL TEE COMPANY, LLC

d/b/a THE NOVELTY TEE COMPANY, LLC

d/b/a NOVELTY TEE COMPANY, LLC

d/b/a MARKETPLACE INDEPENDENT BUSINESS GROUP

Chapter 11

Case No. 23-01205

Hon. James W. Boyd

Debtor.

**DECLARATION OF SCOTT SANDBERG IN SUPPORT OF
DEBTOR'S MOTIONS AND REQUEST FOR FIRST DAY RELIEF**

I, Scott Sandberg, Sole Member and Chief Executive Officer of The Global Tee Company, LLC ("Debtor"), declare pursuant to 28 U.S.C. § 1746 as follows:

1. The Debtor is in the business of manufacturing and selling women's athletic wear through an online marketing program.
2. In 2020, the Debtor's business was acutely impacted by the coronavirus pandemic. The Debtor suffered a 27% decrease in annual sales which in 2019 were \$4,587,125.00 and fell to \$3,341,845.00 in 2020.
3. The Debtor has been recovering from the impact of the loss of sales revenue since 2020.
4. The Debtor has fallen behind in payments to its creditors, including taxing authorities. Taxing authorities have taken action to levy upon the bank accounts of the Debtor which

has interrupted the cash flow necessary for continuation of the Debtor's business operations.

5. The Debtor filed this Chapter 11 Case in order to preserve and maximize the value of the Debtor's assets for the benefit of all stakeholders.

6. That I am the Sole Member and Chief Executive Officer of the Debtor. I have held this position since the Debtor was formed in 2014.

7. The Debtor started its operations from the floor of my residence in 2014 and grew to a company with annual sales of \$4,587,125.00 in 2019.

8. I am generally familiar with the Debtor's day to day operations, business, financial affairs, and books and records. All of the facts in this Declaration are based upon my personal knowledge and my discussions with members of the Debtor's Management Team and my review of documents and information concerning the Debtor's operations, financial affairs, restructuring efforts and my personal opinion based upon my experience and general knowledge about the Debtor.

9. I am over the age of 18 and am authorized to submit this Declaration on behalf of the Debtor. If called to testify, I would testify to the matters set forth in this Declaration.

10. The Debtor operates out of leased premises located at 4850 Kendrick Street S.E., Kentwood, Michigan 49512.

11. The following is a list of creditors and amounts owed to the creditors who assert a security interest in the Debtor's bank deposits, inventory, accounts receivable and other cash collateral:

CREDITOR	AMOUNT OWED
CIT Bank	\$79,500.00
WebBank/Shopify	\$56,300.00
ODK Capital LLC	\$221,000.00

PayPal	\$26,000.00
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12. As of May 25, 2023, the date the Debtor filed its Voluntary Petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code, the following are the approximate values of cash collateral:

ASSET	VALUE
Inventory	\$69,750.00
Accounts Receivable	\$0.00
Total Cash Collateral	\$69,750.00

13. As of the Petition Date, the Debtor had the following deposit accounts, which were not under the control of any secured creditor:

ACCOUNT	VALUE
Blue Vine Bank	\$ 5,337.69
Lilli Bank	\$ 842.15
Novo Bank	\$ 503.12

14. The following is a list of creditors who assert a security interest in equipment financed by the creditor:

CREDITOR	AMOUNT OWED
CIT Bank	\$79,500.00 (this is included above)
Geneva Capital LLC	\$60,000.00

Geneva Capital	\$12,500.00
HYG Financial Services/ Wells Fargo Bank	\$2,526.00

15. The Debtor has approximately \$73,800.00 owing to taxing authorities.

16. The Debtor has approximately \$576,711.00 of debt owed to non-priority unsecured creditors.

17. Attached hereto as **Exhibit A** are the projected revenue and necessary expenditures on a weekly basis during the next six (6) weeks to continue the Debtor's business operations.

18. The Debtor has 10 employees. Employees have received payment of their compensation earned prior to the Petition Date, except for compensation earned in the week immediately prior to the Petition Date. No employee has Pre-Petition earned and unpaid compensation in excess of \$15,150.00.

19. The Debtor maintains bank accounts at various banks including Blue Vine Bank, Chase Bank, Grasshopper Bank, Lilli Bank, Novo Bank, and Mercury-Choice Financial Bank. The only accounts with balances are those maintained at Blue Vine Bank, Lilli Bank, and Novo Bank.

20. The Debtor utilizes payment services through which customers purchase the Debtor's products. Those payment services are provided by PayPal, Shopify, and Amazon.

21. In order to continue the Debtor's business operations it needs to maintain its existing Cash Management System including the existing bank accounts and payment services.

22. The Debtor is taking action to increase its revenues and reduce its operating expenses.

23. I believe the Debtor can formulate a plan of reorganization pursuant to which all debts owing by the Debtor are paid in full.

24. The Debtor has filed First Day Motions seeking use of cash collateral, payment of employee compensation, and maintaining the Debtor's existing Cash Management System. I have reviewed each of those Motions and believe the facts stated therein to be true and correct to the best of my knowledge.

25. I believe that the relief sought in each of the First Day Motions is necessary to the successful implementation of the Debtor's efforts to maximize the value of its estate. It is my further belief that with respect to the First Day Motions the relief requested is essential to the maintenance of the Debtor's operations and necessary to avoid immediate and irreparable harm to the Debtor's estate and its creditors.

26. Accordingly, I respect that all of the relief requested in the First Day Motions and such other and further relief as may be just and proper be granted.

27. I declare under penalty of perjury that the foregoing Declaration of Scott Sandberg in Support of Debtor's Motions and Requests for First Day Relief is true and correct.

Date: May 25, 2023

/s/ Scott Sandberg
Scott Sandberg,
Sole Member & Chief Executive Officer of The
Global Tee Company, LLC

EXHIBIT A

Six Week Budget	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Type of Expense
Sales	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 600,000.00
Building Lease	\$ 9,015.00	\$ 9,000.00			\$ 9,015.00	\$ 9,000.00	\$ 36,030.00 Fixed
Consumer Energy	\$ 1,680.00				\$ 1,500.00		\$ 3,180.00 Fixed
DTE Energy	\$ 800.00	\$ 800.00				\$ 400.00	\$ 2,000.00 Fixed
Payroll	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 78,000.00 Fixed
Blank Textile Goods / T-shirts	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 132,000.00 Variable to Sales
Textile Decoration Supplies Ink/Transfer/Film	\$ 3,500.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 14,750.00 Variable to Sales
Shipping	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 52,500.00 Variable to Sales
Shipping Supplies	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 1,050.00 Variable to Sales
Internet Services / Phone Services		\$ 300.00			\$ 300.00		\$ 600.00 Fixed
Contract Video Editing and Content Creation	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 2,250.00 Variable to Sales
Facebook Advertising	\$ 23,500.00	\$ 23,500.00	\$ 23,500.00	\$ 23,500.00	\$ 23,500.00	\$ 23,500.00	\$ 141,000.00 Variable to Sales
Google Ads	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 13,500.00 Variable to Sales
TikTok Ads			\$ 7,000.00				\$ 12,000.00 Variable to Sales
Klayvio Email Marketing				\$ 3,750.00			\$ 3,750.00 Variable to Sales
Postscript Text Marketing				\$ 4,000.00			\$ 4,000.00 Variable to Sales
Shopify Plus Subscription	\$ 2,600.00				\$ 2,600.00		\$ 5,200.00 Fixed
Triple Whale Software	\$ 600.00				\$ 600.00		\$ 1,200.00 Fixed
Bookkeeping - (Annual)		\$ 3,500.00		\$ 2,500.00			\$ 6,000.00 Fixed
Accountant Tax Filing (Annual)			\$ 2,500.00	\$ 2,500.00			\$ 5,000.00 Fixed
Works Comp			\$ 1,000.00				\$ 1,000.00 Fixed
Liability Insurance		\$ 1,500.00					\$ 2,500.00 Fixed
Sales Tax Escrow	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 13,200.00 Variable to Sales
Health Insurance		\$ 1,050.00				\$ 1,050.00	\$ 2,100.00 Fixed
Equipment (Heat Press)	TBD						
Heat Press Tables	TBD						
	\$ 90,445.00	\$ 90,650.00	\$ 85,000.00	\$ 87,250.00	\$ 88,515.00	\$ 90,950.00	\$ 532,810.00